

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 444 - SB 1008

March 20, 2013

SUMMARY OF BILL: Defines “adequate public notice” relative to public meetings and deadlines, and sets minimum standards for such notification. Requires entities to either provide the date, time, place, and purpose of a meeting in a newspaper of general circulation at least five days prior to the meeting, and on the public entity’s website, or publish the information in a newspaper with either a paid or free circulation at least five days prior to the meetings, on the public entity’s website, and in a conspicuous location within the building where the meeting is to take place.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$50,000/Recurring

**Increase Local Expenditures - \$253,500/One-Time*
Exceeds \$200,000/Recurring***

Assumptions:

- This bill will impact every state and local government agency that is required to hold public meetings and give notice of such meetings.
- It is estimated the requirement for posting of information in a conspicuous location within the building where the meeting is being held will not result in any significant fiscal impact to state or local governments.
- It is estimated those state entities with a presence on the official state website will not incur additional costs to post such notices on the website.
- Due to multiple unknown factors, including but not limited to, the number of state agencies currently required to provide notice prior to meetings, the extent of public notice currently being utilized by such agencies, and the extent such state agencies will need to provide notice in order to comply with the provisions of this bill, a precise fiscal impact cannot be determined; however, recurring state expenditures associated compliance to this bill is reasonably estimated to exceed \$50,000 statewide.
- According to County Technical Assistance Service (CTAS) and Municipal Technical Advisory Service (MTAS), there are approximately 169 local entities that do not have a website; each of the 169 local government entities will need to establish a website in order to comply with the requirements of this bill.

- Estimating a one-time development cost of \$1,500 per entity for website development, the total one-time increase to local government expenditures is estimated to be \$253,500 (169 entities x \$1,500) statewide; recurring costs for maintenance, updating, and staff will exceed \$100,000 per year statewide.
- Based on responses to the 2012 Local Government Survey conducted by Fiscal Review, participating local government officials reported the average cost for publishing a legal notice in a newspaper was \$134 per notice. It is unknown how many local governments currently provide notice in newspapers for public meetings held, however this requirement is estimated to result in a recurring increase in local government expenditures exceeding \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jrh